

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580



Bureau of Consumer Protection
Division of Enforcement

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FEDERAL EXPRESS

Leslie Alan Glick, Esq.
Porter Wright Morris & Arthur LLP
1900 K Street, NW
Suite 1110
Washington, DC 20006

Dear Mr. Glick:

We received your submissions of November 10, 2014, November 11, 2014, December 2, 2014, and March 18, 2015 on behalf of your client, Toagosei America Inc. ("Toagosei"). During our review, we discussed concerns that certain labels and marketing materials may have overstated the extent to which certain Toagosei adhesive products are made in the United States or contain U.S.-sourced ingredients. Specifically, although certain Toagosei products contain raw materials that are substantially transformed into glues in the United States, in some instances, a significant percentage of those raw materials are sourced overseas.

As we discussed, unqualified "Made in USA" claims likely suggest to consumers that the advertised products are "all or virtually all" made in the United States. The Commission may analyze a number of different factors to determine whether a product is "all or virtually all" made in the United States. For products that incorporate imported raw materials, the Commission considers "what percentage of the cost of the product the raw materials constitute and how far removed from the finished product the raw materials are."¹ As the Commission has noted, "even where a raw material is nonindigenous to the United States, if that imported material constitutes the whole or essence of the finished product . . . , it would likely mislead consumers to label the final product with an unqualified 'Made in USA' claim."²

Accordingly, to avoid deceiving consumers, you explained that Toagosei is in the process of expending significant resources to implement a comprehensive corrective action plan. This

¹ *Federal Trade Commission, Issuance of Enforcement Policy Statement on "Made in USA" and Other U.S. Origin Claims*, 62 Fed. Reg. 63756, 63766 (December 2, 1997).

² *Id.* at 63739 n.117.

plan includes: (1) updating relevant "Made in USA" claims for impacted glues to state "Made in USA with Foreign Materials"; (2) stickering over unqualified "Made in USA" claims on certain packages; (3) scrapping packaging with unqualified claims; and (4) repackaging certain products so that claims on tubes are not visible to consumers at the point of purchase.

Based on your statements and Toagosei's ongoing corrective effort, the staff has decided not to pursue this investigation any further. This action should not be construed as a determination that there was no violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45. The Commission reserves the right to take such further action as the public interest may require. If you have any questions, you can reach me at (202) 326-2377.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Ensor", written in a cursive style.

Julia Solomon Ensor
Staff Attorney